



Request for City Council Committee Action From the Department of Public Works

Date: March 28, 2002

To: Transportation and Public Works Committee

Referral to:

Subject:

- ◆ Designation of and setting Project Approval & Assessment Public Hearings for the Hennepin Theatre District Streetscape (Project No. 2221) and Street Lighting Projects.
- ◆ Setting Public Hearing for the establishment of the Street Lighting District Number 1290.
- ◆ Setting Public Hearing for Abandonment and Removal of Areaways in Conflict with Said Streetscape Project.
- ◆ Setting Public Hearing to consider an Ordinance that would establish a Hennepin Theatre District Special Service District.

Recommendation:

1. (a) Passage of a Resolution designating the location and improvements proposed to be made in the Hennepin Theatre District Streetscape Project.

This Resolution may be authorized for summary publication.

(b) Adoption of a Committee Report receiving the cost estimate of \$3,600,000 and the list of benefited properties. Direct the City Engineer to prepare a proposed streetscape assessment against said list of properties by applying rates based on Lineal Foot of Frontage Method and 100% of Actual Cost. Direct City Clerk to give notice of a Project Approval and Assessment Public Hearing to be held on May 9, 2002 before the Transportation Public Works Committee (T&PW).

2. (a) Passage of a Resolution designating the location and improvements proposed to be made in the Hennepin Theatre District Street Lighting Project.

This Resolution may be authorized for summary publication.

(b) Adoption of a Committee Report receiving the cost estimate of \$3,600,000 and the list of benefited properties. Direct the City Engineer to prepare a proposed streetscape assessment against said list of properties by applying rates based on Land Area Influence Zone Method. Direct City Clerk to give notice of a Project Approval and Assessment Public Hearing to be held on May 9, 2002 before T&PW.

(c) Adoption of a Committee Report designating said street lighting project as Street Lighting District Number 1290. Direct City Clerk to give notice of a Project Approval and Assessment Public Hearing to be held on May 9, 2002 before T&PW.

3. Setting a public hearing to be held on May 9, 2002 before T&PW to consider the abandonment and removal of areaways in conflict with the streetscape construction project and directing staff to give notice in accordance with the provisions of Section 95.90 of the Minneapolis Code of Ordinances.
4. Setting a public hearing to be held on May 9, 2002 before T&PW to consider an Ordinance that would establish a Hennepin Theatre District Special Service District.

Previous Directives:

Council Action enacted at the November 21, 2001 council meeting directing that the City's 2000-2005 Capital Improvement Program be amended to include the Hennepin Avenue Theater District Streetscape project.

Prepared or Submitted by: Jack Yuzna, Engineering Services, 673-2415

Approved: David J. Sonnenberg, P. E., City Engineer, Director of Public Works

By: Paul W. Ogren _____

Presenters in Committee: Jack Yuzna, Engineering Services, 673-2415

Financial Impact (Check those that apply)

☐ No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

☐ Action requires an appropriation increase to the Capital Budget

☐ Action requires an appropriation increase to the Operating Budget

☐ Action provides increased revenue for appropriation increase

☐ Action requires use of contingency or reserves

☒ Other financial impact (Explain): **Special assessments to benefited properties.**

☐ Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information Attached

Background

In November of 2001 the Council granted the local community request to amend the City's 2000-2005 Capital Improvement Program and include the Hennepin Avenue Theatre District Streetscape Improvement Project (see attached Official Publication for November 21, 2001 council meeting and November 14, 2001 T&PW committee letter).

Hennepin Avenue Theatre District Streetscape Project

The streetscape project is to be constructed on Hennepin Avenue between 5th Street and 10th Street (the Hennepin Theatre District), excluding Block "E".

The project's scope of work includes decorative sidewalk, new street lighting, repainting of the existing signal semaphores, landscape lighting, streetscape furniture (benches, newspaper box enclosures, waste receptacles, bike racks), tree planters and trees. The project is estimated to cost \$3,600,000 and is to be 100% assessed to the benefiting property owners.

As provided in Chapter 10, Section 6 of the City Charter, submitted herewith is a list of parcels with owner's names, as nearly as can be readily ascertained, which would be benefited by and assessed for the Hennepin Avenue Theatre District Streetscape Project. This special assessment will be determined by applying the Lineal Foot of Frontage Method to the benefited parcels located within the project.

Hennepin Avenue Theatre District Street Lighting Project

The proposed street lighting project will install new streetlights along the Hennepin Theatre District (excluding Block "E").

As provided in Chapter 10, Section 6 of the City Charter, submitted herewith is a list of parcels with owner's names, as nearly as can be readily ascertained, which would be benefited by and assessed for the Hennepin Avenue Theatre District Street Lighting Project.

This special assessment will be determined by applying the Land Area Influence Zone Method to the benefited parcels located within the project. This proposed assessment method consists of calculating the land area located within the project's lighting influence zone and each benefited parcel. The method is consistent with other lighting assessments throughout the City.

Street Lighting District Number 1290

As provided for in Chapter 431 of the Minneapolis Code of Ordinances, the Hennepin Theatre District Streetscape project area is proposed to be designated as Street Lighting District 1290. An assessment is recommended for the portion of the street lighting system maintenance and operation costs that are in excess of the standard paid for by the City.

Abandonment and Removal of Conflicting Areaways

Section 95.90 of the Minneapolis Code of Ordinances provides a procedure for dealing with areaway encroachments that interfere with projects for the public good. The ordinance provides the City the ability to abandon and remove any areaways that are in conflict with project, upon the failure of the abutting property owners to resolve the conflicts, and assess the property owners all associated costs of the abandonment. The ordinance further requires that before the areaway abandonment and assessment may take place, a public hearing shall be held on the matter. It is our recommendation that in effort to minimize delays, and potential delay related costs, to the project that the conflicting areaways public hearing be held May 9, 2002 in conjunction with the other Hennepin Streetscape public hearings. Prior to the areaway public notices being given, the City Engineer will have provided the initial noticed as required in Section 95.90 of the Minneapolis Code of Ordinances.

Hennepin Theatre District Special Service District

On July 15, 1988, the City Council adopted a policy requiring the implementation of a means for maintaining all new streetscape improvements. Special service districts have become a common and effective method of instituting the Council's policy. The streetscape project's community representatives have proposed the special service district be Hennepin Avenue (downtown) from 5th Street to 10th Street (and excluding Block E). We anticipate the subject matter of an Ordinance to establish such a district for the area to be introduced at the City Council meeting on April 5, 2002 and referral to T&PW for a public hearing. It is our recommendation that the public hearing on the district establishment ordinance be held in conjunction with the other Hennepin Streetscape public hearings.

cc: Council Member Lisa Goodman; Council Member Natalie Johnson-Lee

T&PW - Your Committee recommends passage of the accompanying Resolution designating the location and streets to be improved in the Hennepin Theatre District Streetscape Revitalization Project, Special Improvement of Existing Street No 2221.

Your Committee further recommends summary publication of the above-described Resolution.

Colvin-Roy

**HENNEPIN THEATRE DISTRICT STREETSCAPE REVITALIZATION PROJECT
SPECIAL IMPROVEMENT OF EXISTING STREET NO 2221**

Designating the improvement of certain existing streets at the location described hereinafter.

Whereas, the Hennepin Theatre District Streetscape Revitalization Project is located within the boundaries of the proposed Hennepin Theatre District Special Service District;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the following existing street within the City of Minneapolis are hereby designated to be improved, pursuant to the provisions of Chapter 10, Section 6 of the Minneapolis City Charter, by installing street lights, trees, trash receptacles, benches, bike racks, planters, bollards, repainting of the existing signal semaphores, landscape lighting, and decorative sidewalk together with all the necessary appurtenances and work related to the hereinabove described improvements:

Hennepin Av from 5th St to 10th St. and excluding the northerly block face between 6th St to 7th St.

T&PW - Your Committee, having received a cost estimate of \$3,600,000 for improvements and a list of benefited properties for the Hennepin Theatre District Streetscape Revitalization Project, Special Improvement of Existing Street No [2221](#), as designated by Resolution 2002R-____ passed April 5, 2002, now recommends that the City Engineer be directed to prepare proposed assessments against the list of benefited properties.

Your Committee further recommends that the City Clerk be directed to give notice of a public hearing to be held by the Transportation and Public Works Committee on May 9, 2002, in accordance with Chapter 10, Section 6 of the Minneapolis City Charter and Section 24.180 of the Minneapolis Code of Ordinances, to consider approving the above designated streetscape project and to consider the amount proposed to be assessed to each benefited property and the amount to be funded by the City.

Your Committee further recommends that the City Engineer be directed to advertise for bids for the construction of the above referenced project in accordance with all City, County and State Municipal bidding requirements.

T&PW - Your Committee reports that, in accordance with Chapter 431 of the Minneapolis Code of Ordinances relating to the establishment of street lighting districts (said Chapter 431 defining such street lighting district as an area wherein lighting in excess of minimum street lighting is provided and further providing that the City's costs over and above said minimum lighting shall be paid by the benefited property owners), the City Engineer has presented to your Committee the details required by said Chapter 431 in connection with proposed Street Lighting District No 1290 for assessment of the maintenance and operation costs on additional street lighting for the convenience and safety of the area delineated generally as Hennepin Av from 5th St to 10th St (streets to receive lighting are as designated in the Hennepin Theatre District Streetscape Revitalization Project, Special Improvement of Existing Street No 2221).

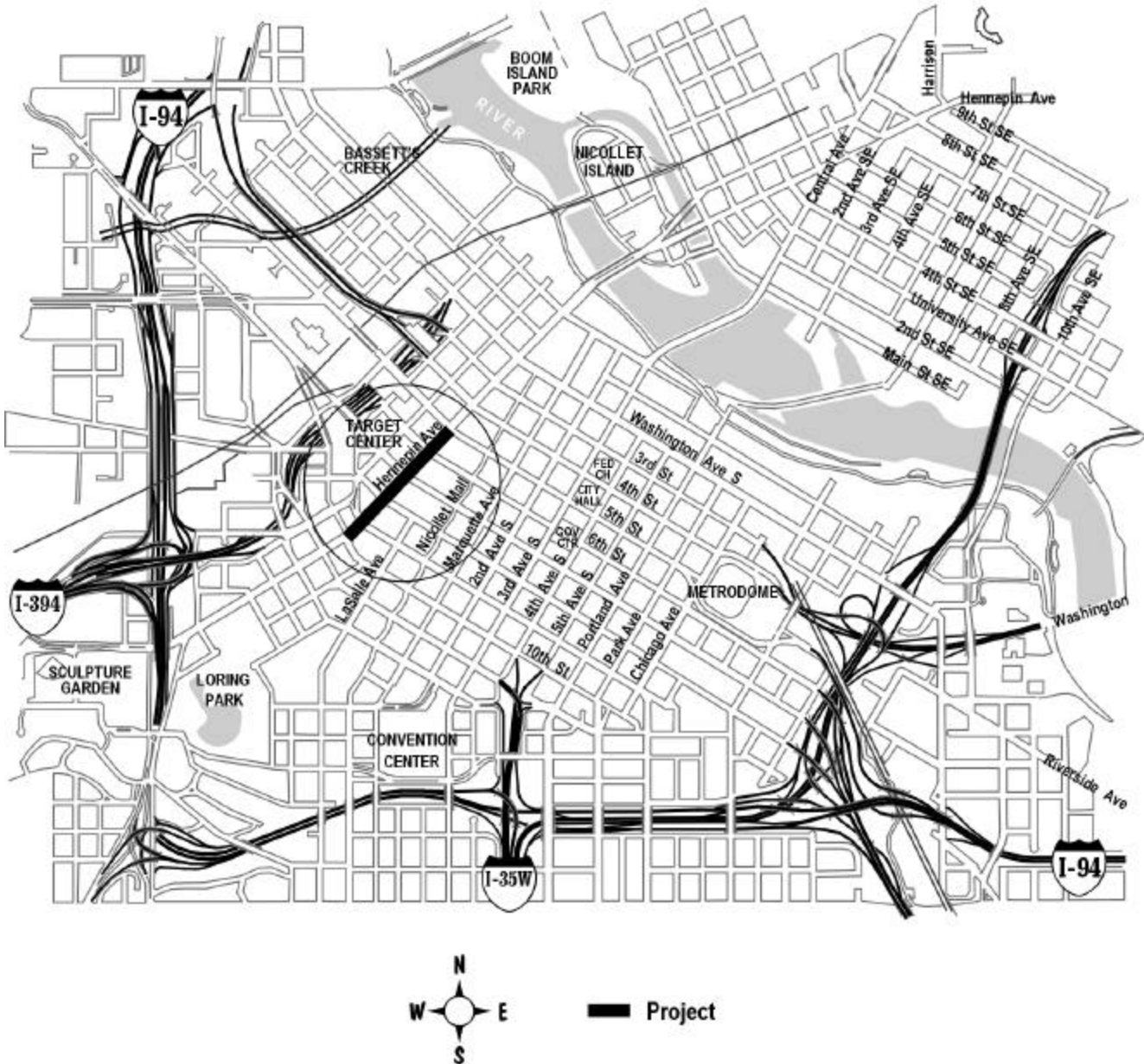
Your Committee recommends that if there should be an increase in the cost of street lighting in the future, that the increased cost be reflected in the assessment.

Your Committee further recommends that the City Clerk be directed to give notice of a public hearing to be held by the Transportation and Public Works Committee on May 9, 2002, in accordance with the provisions of Chapter 431 of the Minneapolis Code of Ordinances, to consider the establishment of said proposed Street Lighting District No 1290.

Your Committee further recommends that the City Engineer be directed to advertise for bids for the construction of the above referenced project in accordance with all City, County and Municipal State-aid bidding requirements.

Hennepin Ave Streetscape

5th to 10th Sts





**Request for City Council Committee Action
From the Department of Public Works**

Date: November 14, 2001

To: Transportation and Public Works Committee

Referral to: Ways & Means/Budget Committee

Subject: Hennepin Avenue Theatre District Streetscape Improvement Project

Recommendation:

1. Amend the City's 2000-2005 CIP program to include the Hennepin Avenue Theatre District Streetscape Improvement Project.
2. Authorization to expend \$75,000 of Street Design Cost Center funds (fund 4100-600-6025) for the project. The Downtown Minneapolis Neighborhood Association (DMNA) will reimburse the cost center through approved NRP funds, which will be reimbursed to DMNA once assessment bonds are sold.
3. Direct the City Engineer to report back after the areaway survey is completed.

Previous Directives:

(Any past Council actions or directions to staff)

Prepared or Submitted by: Jack Yuzna, Engineer III, 673-2415

Approved: David J. Sonnenberg, P. E., City Engineer, Director of Public Works

By: Paul W. Ogren

Presenters in Committee: Jack Yuzna, Engineer III, 673-2415. Tom Hoch, Historic Theatre Group, 612-373-5615

Financial Impact (Check those that apply)

☐ No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

☐ Action requires an appropriation increase to the Capital Budget

☐ Action requires an appropriation increase to the Operating Budget

☐ Action provides increased revenue for appropriation increase

☒ Action requires use of contingency or reserves

☐ Other financial impact (Explain):

☐ Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (use any categories that apply)

Neighborhood Notification

City Goals

Comprehensive Plan

Zoning Code

Other

Background/Supporting Information Attached

The purpose of this letter is to bring a request to your Committee from a group of Hennepin Avenue property owners, business owners and residents. This group requests that a Streetscape Improvement Project on Hennepin Avenue between 5th Street and 10th Street (the Hennepin Theatre District), be added to the City's 2000-2005 CIP program. (The project does not include Block "E". The Block "E" project has agreed to include the streetscape elements of the Hennepin Theater District Streetscape in their project.)

In the Autumn of 1999, the group, in collaboration with the City's Planning Department, contracted with Hammel Green and Abrahamson, Inc. to develop a streetscape design proposal study. The resulting study proposes new 24"x 24" scored sidewalk, pedestrian lighting, repainting and relamping of the existing street lighting, streetscape furniture (benches, newspaper box enclosures, waste receptacles), and trees. The City Planning Department approved the study in the Spring of 2000. The project has been reviewed and endorsed by the Hennepin Avenue Advisory Board, Downtown Council, Warehouse District Business Association, GMCVA and the Minneapolis Planning Commission. The group has organized a petition of the property owners in support of the project and has agreed to fund the project by assessing the benefiting properties.

The project was brought forward last Fall in an attempt to have the streetscape improvements completed in 2001, prior to the opening of Block E and the Pantages Theatre, both scheduled for Autumn of 2002. Unfortunately, at the time, funding was not available to cover the cost of design refinement. Recognizing the importance of this project to the downtown neighborhood as well as to the city as a whole, community leaders attempted to identify interim financing for the project design phase and requested that the project be submitted to CLIC for inclusion in its 2002-2006 program. The project was well received by CLIC. In their General Comments, CLIC noted the project for its "visual affirmation of the City's dedication to the theater and entertainment district" and that "Only the built in limitations of the CLIC rating system ... prevented the project from being rated higher". Working with DMNA, the group has received support from DMNA for a loan of NRP funds in order to fund these early costs and get the project moving ahead to reach significant completion by Fall, 2002.

In order to meet the desired schedule, the department will need to contract for survey and schematic design services as soon as possible.

Proposed Schedule

The group would like the project construction to be significantly completed by November 15, 2002 to coincide with the opening of Block E and the Pantages Theatre. This is an extremely aggressive completion date. To meet the proposed completion date, the project construction contract would need to be awarded in April of 2002. Listed below are the proposed milestones for the project:

Complete Areaway/Impacts
Educate the property owners
Revise the scope if necessary
Begin Topographic Survey

Winter 2001/2002
Winter 2001/2002
Winter 2001/2002
December 2001

Schematic Design
 Project Designation & Assessment Public Hearing
 Hire consultant for final design
 Construction Bid Documents Completed
 Bid Award
 Begin Construction
 Construction Completed

January 2001
 March 2001
 March 2001
 May 2002
 July 2002
 Mid-July 2002
 Autumn 2002/Spring 2003

Preliminary Costs and Funding Sources

The Estimated Project Construction Costs and breakdown is as follows:

	ESTIMATED COST
CONSTRUCTION	\$2,386,125
CONTINGENCY = 10%	\$238,613
INFLATION = 5%	\$131,237
SUBTOTAL	\$2,755,974
PRELIMINARY ENGINEERING	\$463,396
CONSTRUCTION ENGINEERING	\$275,597
SUBTOTAL	\$3,494,968
3.5% CURRENT EXPENSES	\$122,324
TOTAL	\$3,617,292

The Preliminary Engineering can be further broken down into the following elements:

	ESTIMATED COST
PRELIMINARY ENGINEERING	
SCHEMATIC DESIGN	\$50,000
TOPGRAPHIC SURVEY	\$20,000
ASSESSMENT DEVELOPMENT	\$5,000
PLANS AND SPECIFICATIONS	\$383,396
SUBTOTAL	\$463,396
3.5% CURRENT EXPENSES	\$16,219
TOTAL	\$479,615

To meet the schedule, Public Works will initially need authorization to expend \$75,000 to fund the surveys, schematic design and assessment development. It is the intent of Public works to draw upon Street Design Cost Center funds. Public Works will be reimbursed from the funds approved in the DMNA NRP plan, (up to \$300,000 for preliminary engineering) following approval of DMNA's First Step Plan. It is recommended that the remaining project costs be appropriated after the assessment

public hearing is held at which time the preliminary engineering costs could be refunded to the DMNA when project proceeds.

It is estimated that the frontage that would bear the assessment is 2,296 lineal feet (lf). This results in an assessment of \$1,575 per lineal foot (\$3.6M/2296 lf). Assuming a typical Hennepin Avenue commercial lot frontage of 75 feet, property owners can expect an average assessment of \$118,125.

It should also be noted that the MCDA owns several properties that front Hennepin Avenue within the project, and their assessments would be approximately \$440,000 (\$1,575 per lf @278.6 lf). This amount is calculated based on MCDA owned properties which they have tax and special assessment responsibilities.

Additional Issues

Along with the aggressive schedule, there are two outstanding issues that need to be addressed if this project is to be completed in 2002.

1. Areaways exist throughout the project whose location and condition is not known (areaways are the portion of a building's basement that extends beyond the property line and into the street right-of-way). Since the areaway is an encroachment of the property owner's basement into the City's right-of-way, City ordinance places the property owner 100% responsible for all costs associated with the assessment of the areaway's structural adequacy, the areaway's repair (or removal), and modification of areaway to facilitate City projects or ensure public safety.

As the areaways are part of the basement closest to the street, they often are the location of the building's utility meters. They frequently contain elements of the buildings plumbing, heating and cooling systems which, depending on the age of the building, may contain asbestos. The cost to modify or remove an areaway may be considerable depending on the condition of the property's areaway structural integrity and the building's utility services and plumbing/heating/cooling systems.

It is advisable to assess the location and condition of areaways well in advance of construction contract award. Ample time should be provided to property owners with areaways to have their structural adequacy certified and any modification or removals made in advance of construction. This should be done to minimize in-construction project delays and the potential for the contractor to claim monetary damages resulting from the delays.

2. Public Works staff shortage will make it difficult to implement the project in 2001. It will be necessary to utilize the services of design consultants and contractors to complete the project within the project's current timetable.

**OFFICIAL PUBLICATION
MINNEAPOLIS OFFICIAL PROCEEDINGS
CITY COUNCIL
REGULAR MEETING OF
NOVEMBER 21, 2001**

(Published December 1, 2001,
in Finance and Commerce)

Room 132 City Hall.

250 South 5th Street

Minneapolis, Minnesota

November 21, 2001 – 9:30 a.m.

Council President Cherryhomes in the Chair.

Present – Council Members Thurber, Ostrow, Campbell, Biernat, Niland, Goodman, Colvin Roy, Mead, Lane, Lilligren, Johnson, Council President Cherryhomes.

Absent – Council Member McDonald.

T&PW & W&M/Budget – Your Committee, having been informed that a request was received from a group of Hennepin Av property owners, business owners and residents for a streetscape improvement project on Hennepin Av between 5th St and 10th St, now recommends the following:

1. That the City's 2000-2005 Capital Improvement Program be amended to include the Hennepin Avenue Theater District Streetscape project;
2. Authorize the expenditure of \$75,000 from the Public Works – Engineering Design Agency (4100-600-6025) for said project, with the understanding that the Downtown Minneapolis Neighborhood Association (DMNA) will reimburse the cost center through approved Neighborhood Revitalization Program (NRP) funds and the project will cover the neighborhood NRP dollars after assessment bonds are sold.
3. That the City Engineer be directed to report back after the areaway survey is completed.

Adopted. Yeas, 12; Nays none.

Absent – McDonald.

Passed November 21, 2001.

Approved November 27, 2001.

S. Sayles Belton, Mayor.

Attest: M. Keefe, City Clerk.